

Ops Subcommittee topics

1. Employee compensation (David Baker). Last year BFAAC commended the preliminary changes to the compensation benchmarking processes that are used to determine, with more precision, job classes that may warrant competitive pay adjustments. We plan to follow-up on our assessment of compensation policies and review progress made on key recommendations we made in last year's report.

That report recommended that the City examine ways to achieve compensation competitiveness and maintain it over the long term and to develop a robust outreach plan to educate City staff about total compensation issues and the City's compensation philosophy. We plan to review where the City stands on these compensation policies and practices, especially as employee compensation is one of the five priorities in the City Manager's FY 2017 budget message.

2. Priorities (Mike Wenk). The City Manager's message on the 2017 budget outlined several new steps the City has taken to better represent the budget priority preferences of Alexandria's taxpayers. The City held four community meetings (civic engagements) to gather input on budget priorities. These were presented at the City Council retreat and helped to inform City Council's budget guidance to the City manager, the City managers recommended budget priorities for the departments and the 2017 budget. BFAAC endorses these efforts.

This section of our report will examine criteria for priority setting in budget decisions. For example, what criteria were used to allocate funding to urban forestry efforts (in the Manager's one additional cent on real estate tax rate) vs. storm water and sewer. What goals and results were used to judge which programs will be funded by the additional cent? How did City staff define "the need" it was trying to address in the priority process?

Priority ranking of key needs was included in the CIP portion of previous budgets. BFAAC praised these previous efforts and was looking forward to ever increasing value of priority identification (better definition of "needs" and tracking of results) to the budget decision process.

BFAAC commends the City Manager's effort to introduce greater priority setting to the operations side of the budget. Hence, the designation by the Manager that the departments were requested to focus on the following priorities: 1. affordable housing; 2. traffic and parking management; 3. increasing general fund revenue; 4. investment in information technology; and 5. pre- K and child care. This specification is a valuable step in budget process. At the same time, the kind of criteria used in the CIP portion of prior budget does not appear to have been used in the operations side of the budget. BFAAC will review to what degree the new priority ranking process addresses the "needs" the public and City Council previously highlighted. BFAAC will concentrate on the criteria used to make some of priority rank decisions; how "needs" were defined in the ranking process and how past results were determined and applied in the managers final budget decision process.

3. ACPS (Patrice Linehan). Over the years, growing student enrollment has led to significant increases in the cost of educating public school children in the City of Alexandria. This burgeoning growth has put a toll on aging facilities and overcrowding is at such a critical point that school buildings no longer have the capacity to accommodate current student enrollment. Although the Capital Improvement Program (CIP) requires its own in-depth review, it is also important to consider the overall impact on the City's Operation budget.

The City Council and School Board leaders face the challenge of meeting joint city-school education goals within a budget-constrained environment. This section will describe the current budget context and offer recommendations for ways the City and school leaders can begin to address their shared goals (as outlined by the City and the recently approved ACPS 2020 Strategic Plan). This section will also outline some of the similarities, differences and key intersections of the City and ACPS budget processes, including public engagement and expected return on investment.

4. Long-term service trends. (Len Rubenstein). The great recession of 2008, the slow recovery, and the decline in federal spending have annually had a significant impact on the City's budget. Each year the City Manager and Council have sought to preserve services through efficiencies in use of personnel, increasing employee's share of benefit costs, and in other ways. Still, more than 100 positions have been cut, with inevitable effects on services.

While BFAAC has in the past addressed the criteria used in making decisions about services (point 2 above), we think it would be useful to take a broader look over time on the impacts of constrained budgets on services that within the Strategic Plan as a way of informing Council and the citizens on trends and future areas for attention.

In doing so, we will rely on documents prepared by City staff on trends in spending over time program by program, and will collaborate with staff in interpreting them.